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Japan Continues to Wrestle with Import Policy

Japanese government officials continue to search for a policy mix to foster imports that is due by late September (see JEI Report No. 29B, August 5, 1983). This move is motivated by the emergence of a rapidly growing merchandise trade and current surplus this year and the more immediate desire of the government to provide a good atmosphere for President Reagan's November 9-11 visit to Japan. The issue of import promotion has

Japanese Economic Indicators

(percentage change from year-earlier period unless otherwise indicated)

	1981	1982	January-May 1982	January-May 1983	March 1983	April 1983	May 1983
Discount Rate (end of period)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Outstanding Money Supply	8.9%	9.2%	10.1%	7.6%	7.6%	7.6%	7.5%
Industrial Production	1.0%	0.3%	2.1%	0.1%	-0.1%	1.1%	2.2%
Manufacturing Operating Rate	-4.6%	-2.9%	-1.8%	-2.0%	-1.6%	-1.6%	0.0%
Number of Bankruptcies	-1.5%	-2.8%	-3.5%	5.2%	10.3%	0.8%	8.4%
Residential Construction Starts	-9.2%	-0.5%	-9.9%	-0.8%	-7.0%	-3.8%	-11.2%
Job Openings to Applications (ratio)	0.68	0.61	0.63	0.59	0.61	0.60	0.57
Nominal Wages	5.3%	4.5%	4.9%	4.9%	5.3%	3.8%	3.5%
Labor Productivity	2.4%	1.0%	3.4%†	-0.7%†	n.a.	n.a.	n.a.
Wholesale Prices	1.4%	1.8%	2.2%	-1.3%	-1.4%	-2.2%	-1.9%
Consumer Prices	4.9%	2.7%	2.9%	2.2%	2.3%	2.0%	2.7%
Yen-Based Export Prices	1.2%	3.9%	6.3%	-5.4%	-6.2%	-6.6%	-4.9%
Yen-Based Import Prices	1.6%	7.9%	7.7%	-3.0%	-4.0%	-6.1%	-5.8%

†Through February of each year only.

For Japan's most recent GNP figures, see JEI Report No. 25B, July 1, 1983.

Trade and Payments Data
(in millions of dollars unless otherwise indicated)

	1981	1982	January-June 1982	January-June 1983	April 1983	May 1983	June 1983
Japan's Balance of Payments							
Trade Balance	$ 19,967	$ 18,079	$ 7,751	$12,736*	$ 2,755*	$ 2,708*	$ 2,772*
Exports (f.o.b.)	149,522	137,663	70,210	68,999*	12,054*	11,478*	12,143*
Imports (f.o.b.)	129,555	119,584	62,459	56,263*	9,299*	8,770*	9,371*
Current Account Balance	4,770	6,850	1,670	7,543*	2,300*	1,655*	2,215*
Long-Term Capital (net)	-9,672	-14,969	-10,374	-6,438*	-2,033*	-71*	-1,622*
Overall Balance	-2,144	-4,971	-6,671	2,069	-1,055	2,048	1,384
International Reserves (end of period)	28,403	23,262	25,487	24,782	24,272	24,484	24,782
Japan's Customs Clearance Trade							
Trade Balance	8,741	6,900	1,907	7,469*	2,026	1,807	1,899*
Exports (f.o.b.)	152,030	138,831	71,081	69,395*	12,203	11,650	12,276*
Cars	18,445	18,015	9,324	9,767*	1,830	1,654	1,625*
Steel	16,669	15,645	8,473	6,085*	1,002	1,018	1,105*
Imports (c.i.f.)	143,290	131,931	69,174	61,926*	10,177	9,844	10,378*
Crude Oil	53,343	46,274	24,357	20,508*	3,346	2,721	2,940*
Japan-U.S. Trade							
Trade Balance	13,312	12,151	6,070	7,086*	1,545	1,140	1,429*
Exports (f.o.b.)	38,609	36,330	18,563	18,929*	3,410	3,236	3,680*
Imports (c.i.f.)	25,297	24,179	12,493	11,843*	1,865	2,096	2,250*
Yen-Dollar Exchange Rate							
Tokyo Spot Market (end of period)	¥219.90	¥235.00	---	---	¥237.70	¥238.30	¥239.70
U.S.-Japan Trade							
Trade Balance	-15,789	-16,778	-9,214	-9,072	-1,328	-1,914	-1,348
Exports (f.a.s.)	21,823	20,966	10,467	10,041	1,752	1,547	1,936
Industrial Supplies	8,983	9,173	4,734	4,175	838	585	701
Food and Feed	5,896	4,971	2,382	2,430	416	415	439
Capital Goods	4,767	4,434	2,174	2,318	325	368	605
Consumer Goods	1,318	1,356	688	687	118	108	122
Imports (Customs)	37,612	37,744	19,682	19,113	3,080	3,461	3,284
Automotive Products	12,950	12,890	6,661	7,167	1,002	1,401	1,295
Industrial Supplies	7,179	6,795	3,887	2,513	414	444	398
Consumer Goods	8,340	7,842	3,960	3,707	665	586	610
Capital Goods	8,589	9,530	4,775	5,405	940	975	928

*Preliminary

STATISTICAL SUPPLEMENT